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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 005702

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E.O. 12958: DECL: 12/03/2017
TAGS: ECON IS IZ LE PREL RS SY
SUBJECT: DFM SALTANOV ON POST-ANNAPOLIS, LEBANON, IRAQI
DEBT, SAUDI ARABIA, LIBYA

REF: MOSCOW 5681

Classified By: Ambassador William J. Burns for reasons 1.4(b,d)

¶1. (C) Summary: In a December 4 meeting with the Ambassador,
DFM Saltanov underscored Putin's positive assessment of
Annapolis, praised the Secretary for her "tireless" efforts,
and highlighted Russia's interest in discussing a
post-Annapolis meeting in Moscow during the December 17
Quartet meetings and Palestine donor conference in Paris.
Noting that Russia's proposal for a follow-up meeting was
still a work in progress and that Lavrov would likely reach
out to the Secretary for her thoughts prior to Paris,
Saltanov agreed that the key agenda item should be the
Israeli-Palestinian track. However, Russia has also explored
the possibility of using the Moscow meeting, which Saltanov
thought would be held in the Spring 2008, to lay the
foundation for renewing the Israeli-Syrian track and a
"non-political" multilateral track. On other issues,
Saltanov was cautiously optimistic about a political
settlement in Lebanon and was pleased with the progress in
Russia's relations with Saudi Arabia and Libya. The
Ambassador pressed Saltanov on a speedy conclusion of
Russia's negotiations with Iraq over debt relief. End
summary.

Annapolis Conference a Success

¶2. (C) In a December 4 meeting with Deputy Foreign Minister
Aleksandr Saltanov, the Ambassador expressed appreciation
for Russia's constructive and active role in the conference,
highlighting the GOR's assistance in securing Syria's
participation and convincing the Syrians not to host an
anti-Fatah conference following Annapolis. Saltanov, who
accompanied FM Lavrov to Annapolis, characterized the
conference as productive and an "excellent starting point"
for further discussions, noting that President Putin was very
pleased with the results. Saltanov singled out the Secretary
for her "tireless" efforts to ensure a successful outcome.

Post-Annapolis: Paris, Then Moscow

¶3. (C) Although optimistic, Saltanov said Russia was fully
aware of the difficult road that lies ahead. Russia looked
forward to the December 17 Quartet meetings in Paris, which
will provide the Quartet an opportunity to discuss the way
forward. Saltanov said Russia expected the Paris meetings to
focus on continued support for the Israeli-Palestinian track,
and Russia would be prepared to offer its proposals. He also
noted that the Palestine donors conference in Paris was an
important component of the international community's efforts
to reach a political settlement, emphasizing that greater
material assistance to the Palestinians remained a critical
need.

¶4. (C) Saltanov stressed that Russia also expected the
Quartet meeting in Paris to address Russia's proposal to host
a follow-up meeting. When asked for more clarity on Moscow's
proposal, Saltanov said that the conference was still in the
development stage. He noted that Russia would be ready to
present its ideas in Paris, although he expected Lavrov would
seek a phone call with the Secretary to get her input prior
to the Quartet meeting. Saltanov thought the Moscow meeting
was shaping up along the following lines:

-- the Moscow meeting would most likely be held in Spring
2008;
-- the level of participation has yet to be determined;
-- the key item on the agenda would be the
Israeli-Palestinian negotiations;
-- other items might include renewing the Israel-Syria
political settlement track and the "multilateral track."

¶5. (C) Saltanov said that, based on his recent travels in
the region and discussions with key leaders, achieving
momentum in the Israeli-Syrian negotiations would "not be the
most difficult task." He highlighted Syrian President Asad's
support for such negotiations, and stressed that the GOR
would insist that Syria not establish any preconditions.
Saltanov also noted Israeli Defense Minister Barak's public
and private statements in support of such a dialogue.
However, in response to the Ambassador's question, Saltanov
acknowledged that Israeli FM Livni and PM Olmert were "very
pessimistic" about reinitiating Israel-Syria negotiations in
Moscow.

¶6. (C) Saltanov added that the GOR was exploring the
possibility of reviving "realistic elements" of the old
multilaterals, launched in 1992 at a ministerial hosted by

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Moscow. Under consideration is the possible revival of
multilateral groups to address "practical and
non-controversial" issues such as water resources and the
environment. Saltanov noted that Livni had seemed cautious
but receptive to the idea, and he insisted that the
multilateral track could keep the Arab states actively
engaged in the Israeli-Palestinian negotiations and in a
comprehensive peace settlement.

¶7. (C) Saltanov said he had no plans to travel to the region
again prior to the Paris meeting; he thought the Quartet
members should agree on a post-Annapolis plan prior to
regional travel. Saltanov also has not had any contact with
Hamas since Annapolis, but he recalled for the Ambassador a
Damascus-based Hamas leader's message to former PM Primakov
prior to Annapolis that Hamas was ready to negotiate and to
cease rocket launches on Israeli territory in exchange for
"realistic" negotiations and Israel's suspension of military
activity in Gaza. However, Saltanov doubted the
Damascus-based Hamas leader exercised much influence in Gaza.

Lebanon

¶8. (C) The Ambassador asked Saltanov for his assessment of
the political situation in Lebanon, noting Lebanese
Parliamentary Majority Leader Saad Hariri's recent trip to
Moscow and PM Sinora's December 3 telephone call to Lavrov.
Saltanov said Russia has been actively working to secure a
political settlement in Lebanon, and was cautiously
optimistic that the parliamentary majority coalition's
nomination of Lebanese Armed Forces Commander General
Suleiman was a good compromise and a step in the right
direction. Russia has already been in contact with Syria
about Suleiman's nomination, but Saltanov did not know how
Hezbollah would respond to the compromise candidate.

Iraqi Debt

¶9. (C) Noting the recent meetings between Russia and Iraq on debt relief and economic cooperation, the Ambassador urged Russia to conclude the paperwork for debt relief, pointing out that Washington remained very interested in the expeditious resolution of this matter. Saltanov said the GOR recognized the USG's concern and noted that the Russia-Iraq intergovernmental commission (IGC) meeting was still on track to meet in December, most likely December 13 or 14. Saltanov still believed that the IGC would produce a memorandum of understanding on debt relief and greater economic cooperation.

Saudi Arabia

¶10. (C) Saltanov said Saudi Crown Prince Sultan's November 23 trip to Moscow had been productive, emphasizing that the visit was an important step in developing bilateral ties (reftel). Saltanov noted that no documents had been signed, but he described the political and economic discussions as very useful. As a result of the trip, Saltanov was optimistic that Saudi Arabia would remove its reservations on concluding a bilateral WTO agreement with Russia.

Libya

¶11. (C) Turning to Russia's growing interests in stronger economic ties with Libya, Saltanov was hopeful that within the next two months there would be a "breakthrough" in the economic relationship. (Note: Lavrov and Libyan FM Shalkam discussed bilateral issues during a December 3 telephone conversation.) In response to the Ambassador's question, Saltanov thought that Putin accepted in principle the idea of a presidential summit with Qadhafi, but Saltanov stressed that Putin was not interested in "political tourism" -- a summit for summit's sake. Saltanov said there was still much work that needed to be done at the working level.
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